

RETURN RECEIPT REQUESTED ELECTRONICALLY

Janine Slayton  
Avangrid Renewables, LLC  
1125 NW Couch St., STE 600  
Portland OR 97209



9314 8001 1300 0127 6056 30

SEQ# 0000002



Happy Independent School District  
500 NW Third St.  
PO Box 458  
Happy TX 79042

*Comanche Run*



October 24, 2017

Happy Independent School District  
500 NW Third St.  
PO Box 458  
Happy, TX 79042

**RE: Updated Chapter 313 Annual Filing, Form 50-772A**

Dear Superintendent Keith,

Enclosed please find an updated Annual Eligibility Report, Form 50-772A, for our proposed Comanche Run wind farm in Swisher County. The report we filed in May was based on the old form, and we are re-submitting to comply with the Comptroller rules.

If you have questions about this form, please feel free to contact me at [Thomas.Russell@avangrid.com](mailto:Thomas.Russell@avangrid.com) or 503-796-6955.

Best Regards,

A handwritten signature in black ink, appearing to read "Tom Russell", enclosed within a large, loopy oval.

Tom Russell  
Senior Property Tax Accountant

**Avangrid Renewables**  
1125 NW Couch St, Suite 700, Portland, OR 97209  
503-796-7000  
[www.avangrid.com](http://www.avangrid.com)

An equal opportunity employer

## Chapter 313 Annual Eligibility Report Form

## SECTION 1: Applicant and District Information

1. Tax year covered by this report: 2016
- NOTE:** This report must be completed and submitted to the school district by May 15 of every year using information from the previous tax (calendar) year.
2. Application number: 1071
- NOTE:** You can find your application number and all agreement documents and reports on the website [comptroller.texas.gov/economy/local/ch313/agreement-docs.php](http://comptroller.texas.gov/economy/local/ch313/agreement-docs.php)
3. Name of school district: Happy Independent School District
4. Name of project on original application (or short description of facility): Comanche Run Wind Farm
5. Name of applicant on original application: Pacific Wind Development, LLC
6. Name the company entering into original agreement with district: Pacific Wind Development, LLC
7. Amount of limitation at time of application approval: 20,000,000
8. If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. (Use attachments if necessary.)

N/A

## SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) Pacific Wind Development, LLC
2. Complete mailing address of current agreement holder 1125 NW Couch Street, Suite 700, Portland, OR 97209
3. Company contact person for agreement holder:
- |                     |                                       |
|---------------------|---------------------------------------|
| <u>Tom Russell</u>  | <u>Senior Property Tax Accountant</u> |
| Name                | Title                                 |
| <u>503-796-6955</u> | <u>Thomas.Russell@avangrid.com</u>    |
| Phone               | Email                                 |
4. Texas franchise tax ID number of current agreement holder: 32050830580
5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:
- |   |                    |
|---|--------------------|
| <u>Avangrid Renewables Holdings, Inc.</u> | <u>19313111601</u> |
| Name                                      | Tax ID             |
6. If the authorized company representative (same as signatory for this form) is different from the contact person listed above, complete the following:
- |  |                                       |
|--|---------------------------------------|
| <u>David M. DeGabriele</u>                                 | <u>Vice President Tax and Finance</u> |
| Name   | Title                                 |
| <u>1125 NW Couch Street, Suite 700, Portland, OR 97209</u> |                                       |
| Complete Mailing Address                                   |                                       |
| <u>503-241-3221</u>  | <u>David.DeGabriele@avangrid.com</u>  |
| Phone  | Email                                 |
7. If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. (Use attachments if necessary.)

N/A



1. Does the business entity have the right to transact business with respect to Tax Code, Chapter 171?  
(Attach printout from Comptroller website: <https://mycpa.cpa.state.tx.us/coal>) ..... ☒ Yes ☐ No

2. Is the business entity current on all taxes due to the State of Texas? ..... ☒ Yes ☐ No

3. Is the business activity of the project an eligible business activity under Section 313.024(b)? ..... ☒ Yes ☐ No

a) 3a. Please identify business activity: Renewable Energy Electric Generation

Please identify the county appraisal district (CAD) in which the project is located: Swisher County Appraisal District

If the project is located in more than one CAD, please identify the name(s) of the other CADs and provide on a separate sheet for each CAD, the responses to items 1 through 5 applicable to the property (or portion of property) that is reflected in each CAD's property tax account records.

For purposes of item 1, "total market value" should reflect the market value as determined by the CAD (and as adjusted after protest) for only eligible property in all of the CAD property tax accounts covered by the 313 agreement in that county. Please note: "qualified property" is defined by Tax Code section 313.021(2) and 34 Tex. Admin. Code § 9.1051(16) and identified in the executed Chapter 313 agreement.

- |   |    |             |
|---|----|-------------|
| 1. Total market value of all qualified property from all CAD property accounts subject to the 313 agreement . . . . . | \$ | <div></div> |
| 2. Total value of all applicable exemptions for the qualified property included in item 1 . . . . .                   | \$ | <div></div> |
| 3. Total taxable value for school I&S tax purposes for the qualified property (Item 1 less Item 2) . . . . .          | \$ | <div></div> |
| 4. Limitation amount on appraised value specified as qualified in the 313 agreement. . . . .                          | \$ | <div></div> |
| 5. Total taxable value for school M&O tax purposes for the qualified property (lesser of item 3 or item 4) . . . . .  | \$ | <div></div> |

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at [comptroller.texas.gov/economy/local/ch313/agreement-docs.php](http://comptroller.texas.gov/economy/local/ch313/agreement-docs.php)

**NOTE:** All statutory references in Section 5A are for statute as it existed prior to Jan. 1, 2014. For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement. Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code §313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

1. How many new jobs were based on the qualified property in the year covered by this report? (See note above) . . . . .
2. What is the number of new jobs required for a project in this school district according to §313.021(2)(A)(iv)(b), §313.051(b), as appropriate? . . . . .
3. Did the applicant request that the governing body waive the minimum job requirement, as provided under Tax Code §313.025(f-1)? . . . . . ☐ Yes ☐ No
  - 3a. If yes, how many new jobs must the approved applicant create under the waiver? . . . . .
4. Calculate 80 percent of new jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) . . . . .
5. What is the minimum required annual wage for each qualifying job in the year covered by the report? . . . . . \$
6. Identify which of the four Tax Code sections is used to determine the wage standard required by the agreement:  
☐ §313.021(5)(A) or ☐ §313.021(5)(B) or ☐ §313.021(3)(E)(ii) or ☐ §313.051(b)
  - 6a. Attach calculations and cite exact Texas Workforce Commission data source as defined in TAC §9.1051.
7. Does the agreement require the applicant to provide a specified number of jobs at a specified wage? . . . . . ☐ Yes ☐ No
  - 7a. If yes, how many qualifying jobs did the approved applicant commit to create in the year covered by the report? . . . . .
  - 7b. If yes, what annual wage did the approved applicant commit to pay in the year covered by the report? . . . . . \$



- 7c. If yes, how many qualifying jobs were created at the specified wage in the year covered by the report? ..... 0
8. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? ..... 0
- 8a. Of the qualifying job-holders last year, how many were employees of the approved applicant? ..... 0
- 8b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? ..... 0
- 8c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ..... ☐ Yes ☐ No ☐ N/A

**SECTION 5B: Wage and Employment Information for Applications After Jan. 1, 2014 (#1000 and Above)**

**ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION.** You can find your application number on the website at [comptroller.texas.gov/economy/local/ch313/agreement-docs.php](http://comptroller.texas.gov/economy/local/ch313/agreement-docs.php).

**NOTE:** For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3).

**QUALIFYING JOBS**

1. What is the number of new qualifying jobs the applicant committed to create in the year covered by this report? ..... 0
2. Did the applicant request that the governing body waive the minimum qualifying job requirement, as provided under Tax Code §313.025(f-1)? ..... ☒ Yes ☐ No
- 2a. If yes, how many new qualifying jobs must the approved applicant create under the waiver? ..... 7
3. Which Tax Code section are you using to determine the wage standard required for this project? ☒ §313.021(5)(A) or ☐ §313.021(5)(B)
- 3a. Attach calculations and cite exact Texas Workforce Commission data sources as defined in TAC §9.1051.
4. What is the minimum required annual wage for each qualifying job in the year covered by this report? ..... \$ 40,097.00
5. What is the annual wage the applicant committed to pay for each of the qualifying jobs in the year covered by this report? ..... \$ 52,000.00
6. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? ..... 0
- 6a. Of the qualifying job-holders last year, how many were employees of the approved applicant? ..... 0
- 6b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? ..... 0
- 6c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ..... ☐ Yes ☐ No ☒ N/A
7. Do the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3) and TAC 9.1051(30)? ..... ☐ Yes ☐ No

**NON-QUALIFYING JOBS**

8. What is the number of non-qualifying jobs the applicant had on Dec. 31 of the year covered by this report? ..... 0
9. What was the average wage you were paying for non-qualifying jobs on Dec. 31 of the year covered by this report? .. \$
10. What is the county average weekly wage for non-qualifying jobs, as defined in TAC §9.1051? ..... \$

**MISCELLANEOUS**

11. Did the applicant rely on a determination by the Texas Workforce Commission under the provisions §313.024(3)(F) in meeting the minimum qualifying job requirements? ..... ☐ Yes ☒ No
- 11a. If yes, attach supporting documentation to evidence that the requirements of §313.021(3)(F) were met.
12. Are you part of a Single Unified Project (SUP) and relying on the provisions in Tax Code §313.024(d-2) to meet the qualifying job requirements? ..... ☐ Yes ☒ No
- 12a. If yes, attach supporting documentation from the Texas Economic Development and Tourism Office including a list of the other school district(s) and the qualifying jobs located in each.

## SECTION 6: Qualified Investment During Qualified Time Period

ENTITIES ARE NOT REQUIRED TO COMPLETE THIS SECTION IF THE YEAR COVERED BY THE REPORT IS AFTER THE QUALIFYING TIME PERIOD OF THEIR AGREEMENT.

1. What is the qualified investment expended by this entity from the beginning of the qualifying time period through the end of the year covered by this report? ..... \$ 0.00
2. Was any of the land classified as qualified investment? ..... ☐ Yes ☒ No
3. Was any of the qualified Investment leased under a capitalized lease? ..... ☐ Yes ☒ No
4. Was any of the qualified Investment leased under an operating lease? ..... ☐ Yes ☒ No
5. Was any property not owned by the applicant part of the qualified investment? ..... ☐ Yes ☒ No

## SECTION 7: Partial Interest

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT.

For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement:

1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

1. What was your limitation amount (or portion of original limitation amount) during the year covered by this report? . . .
2. Please describe your interest in the agreement and identify all the documents creating that interest.

N/A

## SECTION 8: Approval

*"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."*

print  
here

David M. DeGabriele

Print Name (Authorized Company Representative)

Vice President Tax and Finance

Title

sign  
here



Signature (Authorized Company Representative)

10/11/2017

Date

print  
here

Tom Russell

Print Name of Preparer (Person Who Completed the Form)

503-796-6955

Phone



## Franchise Tax Account Status

As of : 05/15/2017 18:13:43

This Page is Not Sufficient for Filings with the Secretary of State

PACIFIC WIND DEVELOPMENT LLC	
<b>Texas Taxpayer Number</b>	32050830580
<b>Mailing Address</b>	1125 NW COUCH ST STE 600 PORTLAND, OR 97209-4156
<b>Ⓢ Right to Transact Business in Texas</b>	ACTIVE
<b>State of Formation</b>	OR
<b>Effective SOS Registration Date</b>	04/26/2013
<b>Texas SOS File Number</b>	0801774772
<b>Registered Agent Name</b>	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
<b>Registered Office Street Address</b>	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701



# DUFF & PHELPS

Pacific Wind Development LLC  
Comanche Run Wind Project  
Happy ISD Limitation of Value Application

Tab 13

## Calculation of three possible wage requirements with TWC documentation

### Swisher County - All Industries Average Weekly Wages

Quarterly Employment and Wages - Swisher County								
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Swisher County	Private	0	0	10	Total, All Industries	\$ 565
2014	2nd Qtr	Swisher County	Private	0	0	10	Total, All Industries	\$ 561
2014	3rd Qtr	Swisher County	Private	0	0	10	Total, All Industries	\$ 557
2014	4th Qtr	Swisher County	Private	0	0	10	Total, All Industries	\$ 668
4 Period Weekly Average Wage								\$ 588
110% of Average Weekly Wage								\$ 647
Requisite Wage (110% of Avg County Total, All Industries Wage)								\$ 33,619

### Swisher County - Manufacturing Average Weekly Wages

Quarterly Employment and Wages - Swisher County								
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Swisher County	Private	31	2	31-33	Manufacturing	\$ 613
2014	2nd Qtr	Swisher County	Private	31	2	31-33	Manufacturing	\$ 753
2014	3rd Qtr	Swisher County	Private	31	2	31-33	Manufacturing	\$ 643
2014	4th Qtr	Swisher County	Private	31	2	31-33	Manufacturing	\$ 795
4 Period Weekly Average Wage								\$ 701
110% of Average Weekly Wage								\$ 771
Requisite Wage (110% of Avg County Total, All Industries Wage)								\$ 40,097

### COG Region Wage

Panhandle Regional Planning Commission		
2013 Manufacturing Wages	Hourly	Annual
	\$ 20.43	\$ 42,499
Average Weekly Wage		\$ 817
110% of Average Weekly Wage		\$ 899
Requisite Wage (110% of COG Mfg Wage)		\$ 46,744



### **Board Finding Number 3.**

*The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).*

In support of this Finding, Applicant submitted information as Tab 12 to its Application regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Tab 12 provides that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. Applicant reports the industry standard for employment is typically one full-time employee for approximately every 15 turbines, and that this number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. Applicant further reports that the permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations. Applicant reports it will create 7 jobs for 100 G114 2.0 MW turbines (for 200 MW wind farm) proposed for this project, which is consistent with industry standards. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

See Attachments A and D.

### **Board Finding Number 4.**

*The Applicant will create seven (7) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; and (3) an annual wage of \$52,000, an amount equal to 110% of the average weekly wage for manufacturing jobs in the County.*

See Attachments A, D and J.

### **Board Finding Number 5.**

*The ability of the Applicant to locate the proposed wind energy facility in another state or another region of this state is significant because of the highly competitive marketplace for economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas.*